



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

November 17, 2003

### **H.R. 2907**

### **Northern Arizona National Forest Land Exchange Act of 2003**

*As ordered reported by the House Committee on Resources on October 29, 2003*

CBO estimates that implementing H.R. 2907 would cost about \$1 million over the 2004-2005 period, assuming the availability of appropriated funds. The bill could affect direct spending, but by insignificant amounts. H.R. 2907 would not affect revenues. H.R. 2907 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no significant costs on state, local, or tribal governments. Enacting this legislation would benefit several local governments that would receive federal land as a result of this exchange.

H.R. 2907 would authorize the Secretary of Agriculture to exchange approximately 21,000 acres of federal lands in Arizona for roughly 35,000 acres of privately owned land in that state. If the values of those lands are not the same, the parties could exchange cash equalization payments of up to \$50,000. The Secretary could spend any amounts received from such payments to acquire other lands and interests in Arizona. H.R. 2907 would direct the Secretary to reimburse holders of grazing permits for certain costs if their grazing rights are affected by the proposed exchange. Finally, H.R. 2907 would direct the Secretary to convey a small parcel of land in Arizona to landowners who have encroached upon that land. In exchange, those landowners would pay \$2,500 plus certain other costs.

Based on information from the Forest Service, CBO estimates that the agency would spend about \$1 million over the 2004-2005 period for appraisals and other administrative costs associated with the proposed land exchange, assuming the availability of appropriated funds. According to the Forest Service, the federal lands to be exchanged and conveyed currently generate no significant receipts and are not expected to do so over the next 10 years. Hence, we estimate that completing the proposed transactions would not significantly affect offsetting receipts (a credit against direct spending). Finally, based on information from the agency, we estimate that the cost of reimbursing grazing permit holders as authorized under the bill would be negligible.

The CBO staff contact for this estimate is Deborah Reis. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis